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Sustainable development and electronic/illicit trade

Contribution
by

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Electronic trade both in BtoB and BtoC modes is growing at a tremendous rate of 15% a year almost twice the rate of the most performant world economies. Therefore it is worth of interest when considering sustainable development. It can help countries that use it to fill the gap and avoid lagging behind in the economic race. However it covers some tricky issues about the integrity of sales.

Electronic trade allows fast and secure economic transactions between economic actors, vendors and buyers who are working in distant locations and would never have the opportunity to meet on physical markets. The performance of electronic trade is facilitated both by the information technology and by the logistics and payment industries. Within the framework of the sustainable development it offers huge benefits by allowing developing countries to both easily purchase the instruments (production tools and materials) they need for their development and to access the markets where their manufactured and naturally grown products will find customers. In that sense electronic trade has to be seen as a major lever for sustainable development.

However a potentially dark side counterbalances the positive side of electronic trade. In fact the quick development of the electronic trade is lacking the appropriate governance and policing and has not been framed by international policies nor regulations. This could lead to the emergence of illicit trade that would take benefit from these deficiencies and consequently threaten sustainable development. On one hand the procurement of dangerous or flawed products and materials could endanger the sustainable development by putting production line at risk or questioning the integrity of the production that is expected through development. On the other hand the sale of product in violation of the law whatever it is children or forced labour, counterfeiting, looting natural resources and protected species, including dangerous materials would prevent the access of the developing countries to the international markets.

To avoid that electronic trade includes illicit trade and consequently threatens sustainable development it is necessary to strengthen the governance and the policing of electronic trade. This should focus on electronic platforms. The electronic market places are the best placed actors that could detect and stop illicit trade flows. This should be their responsibility something that is currently not the case. Furthermore, there is a need for policing the electronic marketplaces and repel illicit vendors the same ways it has been done for centuries on physical markets.

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